

HARBOR DIVISION

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DATE: MARCH 14, 2023

FROM: OFFICE OF THE CITY ATTORNEY

SUBJECT: RESOLUTION NO. _____ - LEGAL SERVICES AGREEMENTS BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND HAWKINS DELAFIELD AND WOOD LLP, KUTAK ROCK LLP AND NIXON PEABODY LLP FOR BOND COUNSEL MATTERS

SUMMARY:

The Office of the City Attorney (Office) requests approval of three Agreements between the City of Los Angeles Harbor Department and Hawkins Delafield and Wood LLP (Hawkins), Kutak Rock LLP (Kutak) and Nixon Peabody LLP (Nixon) for legal services related to bond counsel matters. Each Agreement is for a proposed term of three years and compensation of \$60,000 for a total compensation of \$180,000 across the three Agreements. The Harbor Department is financially responsible for payment of expenses incurred under the proposed Agreements.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;

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2. Find that in accordance with Charter Section 1022 that the scope of work of the proposed Agreements can be more economically and feasibly provided by an independent contractor than by City employees;
3. Approve a Legal Services Agreement with Hawkins Delafield and Wood LLP in the amount of \$60,000 for a three-year term;
4. Approve a Legal Services Agreement with Kutak Rock LLP in the amount of \$60,000 for a three-year term;
5. Approve a Legal Services Agreement with Nixon Peabody LLP in the amount of \$60,000 for a three-year term;
6. Authorize the Executive Director and Board Secretary to execute and attest to the Agreements; and
7. Adopt Resolution No. _____.

DISCUSSION:

Background – In accordance with Charter Section 275, the Office has determined that it requires outside legal counsel to assist in the discharge of its duties to perform legal services in connection with bond counsel matters requiring specialized expertise and resources that exceed staff resources in this specialized area of law. Previously, the Office contracted three law firms for bond counsel matters. The three-year agreements with Hawkins (AG 19-3689), Kutak (AG19-3690) and Nixon (AG 19-3691) expired on September 18, 2022. Due to an extended competitive RFP process, the Office recommended, and the Board approved, a six-month term extension for the Agreement with Kutak (AG19-3668). The extension ensures any needed legal services would be covered during the time between the expiration date of the previous contracts and the execution of new bond counsel contracts.

Need for Services and Scope of Work – The most recent three agreements with law firms expired on September 18, 2022 and the proposed replacement Agreements will continue to meet the Harbor Department’s needs for legal assistance in the bond, tax and disclosure areas. Although the Office has in-house attorney staff assisting with bond counsel matters, the Office requires assistance from outside counsel when specialized expertise is necessary for complex or new legal issues, and when tax and finance issues exceeds the capacity of in-house resources. Outside legal services are required whenever the Department undertakes finance transactions such as a bond issuance or refunding and for its commercial paper program.

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Competitive Counsel Selection Process – On June 1, 2022, the City of Los Angeles Harbor Department (Harbor Department) and the Department of Water and Power (LADWP) issued a joint Request for Proposals (RFP) for Bond Counsel on the Los Angeles Regional Alliance Marketplace for Procurement (RAMP). RAMP reported that 792 registered law firms were notified about the RFP, 36 firms viewed the RFP and 22 firms downloaded the opportunity. However, only three firms submitted proposals in response. Due to the limited number of proposals submitted, the Harbor and LADWP elected to repost the RFP without recommending any selections from the June 1, 2022 issuance. On September 18, 2022, two additional firms responded to the second RFP.

The Office convened a Selection Committee for the Bond Counsel RFP comprised of the Harbor Department's Director of Debt and Treasury, a Harbor Department Financial Manager and two Deputy City Attorneys. The Selection Committee undertook a detailed review of the five proposals and conducted interviews with the two firms not previously under contract with the Office. Following the interviews, the Selection Committee agreed that Hawkins, Kutak, and Nixon were the most knowledgeable and experienced of the proposing firms with respect to bond counsel matters.

PROPOSED AGREEMENT TERMS:

- **Term:** Three years from date of signature (approximately April 2023 to April 2026)
- **Contract Authority:** Maximum amount not to exceed \$60,000
- **Scope of Work:** Bond, tax and disclosure counsel services
- **Standard City and City Attorney Agreement provisions**

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of legal services Agreements with Hawkins, Kutak and Nixon for ongoing legal services for bond counsel matters, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

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FINANCIAL IMPACT:

The proposed action is for the approval of three Agreements for legal services with Hawkins, Kutak and Nixon for a three-year term and total compensation of \$180,000 in aggregate. The Harbor Department is financially responsible for payment of expenses incurred under the proposed Agreements.

Fiscal Year (FY) 2022-23 funding in the amount of \$60,000 has been budgeted, and FY 2023-24 funding in the amount of \$60,000 has been requested to be budgeted within the Harbor Department's Operating Budget, Center 0120 (Office of the City Attorney), Program 000, Account 54410 (Legal Fees and Services). Funding for future fiscal years, if necessary, will be requested to be budgeted as part of the annual budget adoption process, upon Board approval. A funding out clause is included in the Agreements. Spending under the proposed Agreements is detailed below:

Firm	FY 22/23	FY23/24	FY 24/25	TOTAL
Hawkins Delafield & Wood LLP	\$20,000	\$20,000	\$20,000	\$60,000
Kutak Rock LLP	\$20,000	\$20,000	\$20,000	\$60,000
Nixon Peabody LLP	\$20,000	\$20,000	\$20,000	\$60,000
TOTAL	\$60,000	\$60,000	\$60,000	\$180,000

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CITY ATTORNEY:

The Office of the City Attorney has prepared and approved the proposed Agreements as to form and legality.

TRANSMITTALS:

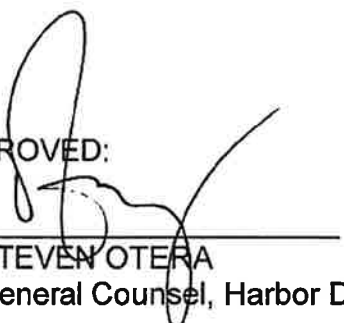
1. Legal Services Agreement with Hawkins Delafield and Wood LLP
2. Legal Services Agreement with Kutak Rock LLP
3. Legal Services Agreement with Nixon Peabody LLP

FIS Approval: _____

CA Approval: *f*



HEATHER McCLOSKEY
Deputy City Attorney

APPROVED:
By 

STEVEN OTERA
General Counsel, Harbor Department

APPROVED:
By *Marla Bleavins*
EUGENE D. SEROKA
Executive Director